

PS 8400.02 PRISON-MADE PRODUCTS AND SERVICES, DEFINITION OF



Program Statement

OPI: FPI
NUMBER: 8400.02
DATE: 8/10/2000
SUBJECT: Prison-Made Products
and Services,
Definition of

1. **PURPOSE AND SCOPE.** To advise all Bureau staff of the definition of "Prison-made Products and Services." The use of these definitions is encouraged whenever Federal Prison Industries, Inc., considers proposals to manufacture products or assemblies, in whole or in part.

Staff are encouraged to use these definitions when making a determination whether a given activity or process constitutes a prison made product or an inmate service.

2. **SUMMARY OF CHANGES.** This Program Statement incorporates language that defines "services" and clarifies previous definitions of "prison-made products".

3. **DIRECTIVE RESCINDED**

PS 8400.01 Prison-Made Products Definition (4/15/94)

4. **STANDARDS REFERENCED.** None

5. **DEFINITIONS.** The following definitions apply to products produced and services performed in FPI factories:

a. **Prison-made products** refer to products manufactured and/or assembled in whole or in part by prisoners.

! **Manufactured** refers to the process of fabricating products from raw or prepared materials. Manufacturing results in new forms, qualities, properties, and combinations.

! **Assembled** refers to the process of uniting or combining items or components. Assembly results in added value and a change in form or utility. Assembly, as defined by the Department of Commerce, Bureau of Census industry codes, is normally associated with manufacturing processes which result in a product, not a service.

! **Components** refer to products or items ancillary to "prison-made products" obtained from a commercial source, and may or may not be physically attached to the end product. In determining whether such components, accessories, or supplemental items are prison-made products and may be supplied to the customer by Federal Prison Industries, consideration will be given to:

- How closely the item is linked to the basic product by use or function.
- Whether separate purchase of the item involves significant inconvenience, delay, and/or expense to the customer.
- Whether FPI's inability to meet an agency's full contract requirement will lead to justifiable waiver requests for related component items and result in inmate idleness.
- Whether the item is routinely provided by commercial suppliers in connection with the sale of the end product.
- Whether the item is relatively minor in relation to the end product.

b. **Services** refers to activity which may or may not culminate in a tangible product. For example, services may include inmate labor that improves the usefulness of a given product without increasing the value from its original state. In such cases, a service does not result in a new product.

Another example is repair or maintenance work, which involves the restoration of an object. A service is performed by renovating a non-functional or unused item into one which is fully serviceable. The owner of the item supplies it to FPI with expectations that the item will be returned to its prior condition, or rendered to be fully functional.

Additional examples are laundry service, furniture refinishing or restoration, and engine and forklift rebuilding services. Repair and maintenance services performed using inmate labor, increase useful life and/or utility of a product, but do not add value beyond that of the original product.

Other services, such as data conversion, optical scanning, or call centers, may not involve a tangible product. The packaging of various items into bags or cartons, and/or the distribution of items, may also be considered a service.

7. **ASSISTANCE.** Any questions related to these definitions should be directed to the Central Office, Planning, Research, and Activation Branch.

/s/

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Director